

**PUBLIC CHAPTER NO. 1142**

**HOUSE BILL NO. 653**

**By Representatives Winningham, Brown, Hackworth, Harry Brooks, Vaughn, Phillip Johnson, Shaw, Bone, Eldridge, Coley, Briley, Favors, Yokley, Litz, Watson, Hawk, Campfield, Harrison, Curtis Johnson, Kevin Brooks, Gresham, DuBois, Williams, Overbey, Ford, Roach, John DeBerry, Ulysses Jones, Fitzhugh, Rinks, Ferguson, McDaniel, Pitts, Bell, Mike Turner, Cooper, McManus, Fincher, Curt Cobb, McCormick, Wilder, Sargent, Armstrong, Tindell, Coleman, Sontany, Fraley, Lollar, Sherry Jones, Hardaway, Odom, Moore, Gilmore, Pruitt, Baird, Miller, McDonald, Towns, Harmon, Hood, Pinion, Maddox, West, Tidwell, Maggart, Shepard, Montgomery, Lundberg, Lois DeBerry, Camper**

**Substituted for: Senate Bill No. 611**

**By Senators Woodson, Bunch, Black, Raymond Finney**

AN ACT to amend Tennessee Code Annotated, Title 49, Chapter 4, Part 9, relative to postsecondary financial assistance from net lottery proceeds.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 49-4-902(22), is amended by deleting the subdivision in its entirety and substituting instead the following:

(22) "Nontraditional student" means a student who is at least twenty-five (25) years of age and who enrolls in an eligible postsecondary institution:

(A) As an entering freshman; or

(B) At least two (2) years after last attending any postsecondary institution;

SECTION 2. Tennessee Code Annotated, Section 49-4-902, is amended by adding the following language as new, appropriately designated subdivisions:

( ) "Academic requirement" means a requirement of a specified grade point average, ACT or SAT score or cumulative grade point average that determines either initial or continuing eligibility for postsecondary financial assistance from net lottery proceeds;

( ) "Cost of attendance" means the combined cost of tuition, mandatory fees, room and board, books and other educational expenses as determined by the financial aid office of the eligible postsecondary institution;

( ) "General Assembly civic education scholarship" means the scholarship funded from net lottery proceeds and awarded under § 49-4-939 to meet the goals of the general assembly to promote and encourage civic learning and participation in community and government by high school students;

( ) "Gift aid" means scholarships and grants from any source that do not require repayment, including funds provided through the federal Foster Care Independence Act of 1999 and other similar programs. Student loans and work-study awards shall not be considered gift aid;

( ) "Nonacademic requirement" means any scholarship eligibility requirement other than an academic requirement;

SECTION 3. Tennessee Code Annotated, Section 49-4-911, is amended by deleting the section in its entirety and substituting instead the following:

(a)

(1) To continue to receive a Tennessee HOPE scholarship, a student at an eligible postsecondary institution shall continue to meet all applicable nonacademic requirements for the scholarship and shall reapply for the scholarship upon attempting twenty-four (24), forty-eight (48), seventy-two (72), ninety-six (96) or any subsequent multiple of twenty-four (24) semester hours. At the end of the semesters in which the student has attempted a total of twenty-four (24) and forty-eight (48) semester hours, the student shall have achieved a cumulative grade point average of at least 2.75 to continue to receive the Tennessee HOPE scholarship. At the end of any subsequent semester at which continuing eligibility for the scholarship is reviewed under this subdivision, a student shall achieve a cumulative grade point average of at least 3.0 to continue to receive the Tennessee HOPE scholarship.

(2) Notwithstanding the provisions of subdivision (1) to the contrary, a student who fails to achieve a cumulative grade point average of at least 3.0 when continuing eligibility is reviewed at the end of seventy-two (72) semester hours or at a subsequent semester when continuing eligibility is reviewed under subdivision (1), but who has a cumulative grade point average of at least 2.75 and a semester grade point average of at least 3.0 for the semester in which continuing eligibility under subdivision (1) was reviewed, shall be eligible to continue to receive a Tennessee HOPE scholarship for one (1) additional semester; provided, that the student enrolls full-time in such semester and the student is

still eligible for a scholarship under § 49-4-913. Subsequently, the student shall be eligible to receive the scholarship on a semester-to-semester basis so long as the student maintains full-time enrollment, a cumulative grade point average of at least 2.75, and a grade point average of at least 3.0 in the semester immediately preceding the semester for which the scholarship is to be awarded. If, however, the student achieves a cumulative grade point average of at least 3.0 at any time when continuing eligibility is reviewed under subdivision (1), then the student's continuing eligibility for a Tennessee HOPE scholarship shall be reviewed under subdivision (1) at the next benchmark.

(b) A student receiving a Tennessee HOPE scholarship, who ceases to be academically eligible for the scholarship because the student fails to meet the requirements of either subdivision (a)(1) or (a)(2) at the end of a semester at which continuing eligibility is reviewed pursuant to the applicable subdivision, may regain the HOPE scholarship, if the student continues to meet all applicable nonacademic requirements for the scholarship, attends an eligible postsecondary institution without the HOPE scholarship, meets the requirements of either subdivision (a)(1) or (a)(2) at the end of a subsequent semester when continuing eligibility is reviewed under the applicable subdivision and reapplies for the scholarship. A student who regains the scholarship and then loses the scholarship a second time by failing to meet the requirements of either subdivision (a)(1) or (a)(2) at the end of a subsequent semester in which academic qualifications are reviewed, may not regain the scholarship. No retroactive award of a Tennessee HOPE scholarship shall be made under this subsection (b) for semester hours attempted in order to regain the scholarship.

(c) If a student ceases to be eligible for a Tennessee HOPE scholarship at any time for any nonacademic reason, then the student shall not be able to regain the Tennessee HOPE scholarship.

(d) Notwithstanding the provisions of subsection (a) and § 49-4-902 to the contrary, a student may choose to repeat one (1) course one (1) time, and have such student's cumulative grade point average or semester grade point average or both calculated as if the only attempt at the course was the attempt in which the highest grade was achieved for the purposes of determining whether the student meets the continuation requirements of subdivision (a)(1) or (a)(2). Only one (1) course may be repeated for favorable treatment in calculating a grade point average under this subsection (d). TSAC shall promulgate rules and regulations to effectuate the purposes of this subsection (d). All such rules and regulations shall be promulgated in accordance with the provisions of the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

SECTION 4. Tennessee Code Annotated, Section 49-4-909(a)(5), is amended by deleting the language "for the total number of semester hours that the student has attempted at any postsecondary institution attended".

SECTION 5. Tennessee Code Annotated, Section 49-4-920(e), is amended by deleting the subsection in its entirety and by substituting instead the following:

(e)

(1) TSAC shall review a student's eligibility at the end of the semester in which the student has attempted twenty-four (24) semester hours. If a student receiving a Tennessee HOPE access grant has achieved a cumulative grade point average of at least 2.75 at the end of the semester in which the student has attempted twenty-four (24) semester hours, then the student shall be eligible for a Tennessee HOPE scholarship. If the student meets the requirements of § 49-4-915(a)(2), the student shall be eligible for an ASPIRE award.

(2) If a student receiving a Tennessee HOPE access grant does not achieve a cumulative grade point average of at least 2.75 at the end of the semester in which the student has attempted twenty-four (24) semester hours, but the student, without financial assistance from lottery proceeds, continues to attend an eligible postsecondary institution and meets the requirements of § 49-4-911(a)(1) at the end of the semester in which the student has attempted forty-eight (48), seventy-two (72), ninety-six (96) or any subsequent multiple of twenty-four (24) semester hours or the requirements of § 49-4-911(a)(2) at the end of forty-eight (48) semester hours or at the end of any subsequent semester, then the student shall be eligible for a Tennessee HOPE scholarship, if the student meets all other applicable requirements. If, at such time, the student meets the requirements of § 49-4-915(a)(2), the student shall be eligible for an ASPIRE award.

SECTION 6. Tennessee Code Annotated, Section 49-4-929, is amended by deleting subsection (c) in its entirety and substituting instead the following:

(c) If the student transfers to an eligible postsecondary institution, then the student shall be eligible academically for a Tennessee HOPE scholarship, if the student meets the requirements of:

(1) § 49-4-911(a)(1) and the student transfers before attempting forty-eight (48) semester hours; or

(2) § 49-4-911(a)(1) or (a)(2) and the student transfers after attempting forty-eight (48) or more semester hours.

SECTION 7. Tennessee Code Annotated, Section 49-4-913, is amended by deleting the section in its entirety and by substituting instead the following:

§ 49-4-913.

(a) Except as set forth in §§ 49-4-919, 49-4-930, 49-4-931 and 49-4-937, a student may receive a Tennessee HOPE scholarship until the first of the following events:

(1) The student has earned a baccalaureate degree; or

(2) Five (5) years have passed from the date of the student's initial enrollment at any postsecondary institution.

(b) A student who lost the Tennessee HOPE scholarship solely because the student had attempted the maximum number of semester hours permitted under the provisions of this section, as it existed prior to the effective date of this act, shall be eligible to have the Tennessee HOPE scholarship reinstated, if the student:

(1) Except for an approved medical or personal leave, has been continuously enrolled at an eligible postsecondary institution, since loss of the scholarship;

(2) Has not received a baccalaureate degree;

(3) First enrolled in a postsecondary institution less than five (5) years prior to reapplication for the scholarship and five (5) years will not have elapsed since first enrollment by the student in a postsecondary institution at the beginning of the 2008-2009 academic year;

(4) Meets all academic and nonacademic requirements for the scholarship;

(5) Enrolls in an eligible postsecondary institution for the 2008-2009 academic year;

(6) At the beginning of the 2008-2009 academic year meets the requirements of § 49-4-911, as amended by Section 3 of this act, for continuation of a Tennessee HOPE scholarship; and

(7) Reapplies for the scholarship.

No retroactive award of a Tennessee HOPE scholarship shall be made under this subsection.

SECTION 8. Tennessee Code Annotated, Section 49-4-919(a), is amended by deleting subdivision (2) in its entirety.

SECTION 9. Tennessee Code Annotated, Section 49-4-920(f), is amended by deleting subdivision (2) in its entirety.

SECTION 10. Tennessee Code Annotated, Section 49-4-930, is amended by deleting subsection (c) in its entirety and substituting instead the following:

(c) Enrollment as a dual enrollment student shall not count towards the limitation under § 49-4-913 on the receipt of a HOPE scholarship.

SECTION 11. Tennessee Code Annotated, Section 49-4-937(c), is amended by deleting the subsection in its entirety and by substituting instead the following:

(c) Enrollment at a Tennessee technology center by a student working towards a diploma before receiving a Tennessee HOPE scholarship, General Assembly Merit Scholarship, or Tennessee HOPE access grant under the provisions of this section shall not count under the provisions of § 49-4-913 or § 49-4-920 towards the limitation on receipt on a Tennessee HOPE scholarship, General Assembly Merit Scholarship, or Tennessee HOPE access grant.

SECTION 12. Tennessee Code Annotated, Section 49-4-931, is amended by deleting the section in its entirety and substituting instead the following:

(a) To be eligible for a Tennessee HOPE scholarship, a nontraditional student shall:

(1) Not be ineligible for the scholarship under § 49-4-904;

(2) Meet the requirements of § 49-4-905(a). The provisions of § 49-4-905(b) shall not apply to nontraditional students seeking Tennessee HOPE scholarships;

(3) Meet the requirements of § 49-4-915(a)(2);

(4) Attend an eligible postsecondary institution and attempt at least twelve (12) semester hours;

(5) Maintain satisfactory progress in a course of study, in accordance with the standards and practices used for federal Title IV programs at the postsecondary institution attended;

(6) Subject to the provisions of § 49-4-919, maintain continuous enrollment at the eligible postsecondary institution attended as a nontraditional student; and

(7) Apply for a Tennessee HOPE scholarship.

(b) A nontraditional student shall be eligible for the award of a Tennessee HOPE scholarship at the end of the semester in which the student has attempted a total of twelve (12) semester hours, if the student

has a cumulative grade point average of at least 2.75. A nontraditional student who does not achieve a cumulative grade point average of at least 2.75 at the end of the semester in which the student has attempted a total of twelve (12) semester hours shall be eligible for a Tennessee HOPE scholarship, if the student achieves a cumulative grade point average of at least 2.75 at the end of the semester in which the student has attempted a total of twenty-four (24) semester hours. A nontraditional student who does not have a cumulative grade point average of at least 2.75 at the end of the semester in which the student has attempted a total of twelve (12) semester hours or twenty-four (24) semester hours shall be eligible for a Tennessee HOPE scholarship, if the student meets the requirements of § 49-4-911(a)(1) at the end of a subsequent semester at which continuing eligibility for a Tennessee HOPE scholarship is reviewed under such subdivision or the requirements of § 49-4-911(a)(2) at the end of any semester after the student has attempted forty-eight (48) or more semester hours.

(c) To continue to receive a Tennessee HOPE scholarship, such student shall meet the applicable requirements of § 49-4-911.

(d) A student may receive a Tennessee HOPE scholarship for nontraditional students under this section until the first of the following events:

(1) The student has earned a baccalaureate degree; or

(2) If the student previously received a Tennessee HOPE scholarship, the sum of the number of years during which the nontraditional student has received a Tennessee HOPE scholarship for nontraditional students and a Tennessee HOPE scholarship equals five (5) years; or

(3) Five (5) years have passed since the student enrolled in an eligible postsecondary institution as a nontraditional student.

(e) A nontraditional student shall not be eligible for an ASPIRE award for need under § 49-4-915, or a General Assembly Merit Scholar supplemental award under § 49-4-916.

(f) No retroactive award of a Tennessee HOPE scholarship shall be made under this section.

SECTION 13. Tennessee Code Annotated, Section 49-4-914, is amended by adding the following language as a new, appropriately designated subsection:

( ) Notwithstanding the provisions of subsection (b) to the contrary, beginning with the 2008-2009 academic year and for academic years thereafter, the amount of a Tennessee HOPE scholarship awarded to a student attending an eligible two-year postsecondary institution which provides on-campus housing shall be the same as the amount of a

Tennessee HOPE scholarship awarded to students attending eligible four-year postsecondary institutions.

SECTION 14. Tennessee Code Annotated, Section 49-4-902(10)(C), is amended by deleting the language "four-year" and substituting instead the language "four-year or two-year".

SECTION 15. Tennessee Code Annotated, Title 49, Chapter 4, Part 9, is amended by adding the following language as a new, appropriately designated section:

§ 49-4-9\_\_.

(a) The section shall be known and may be cited as the "Helping Heroes Act of 2008".

(b) As used in this section, unless the context otherwise requires:

(1) "Veteran" means a former member of the armed forces of the United States, or a former member of a reserve or Tennessee national guard unit who was called into active military service of the United States, as defined in § 58-1-102; and

(2) "Successful completion of a course" means that the student received a non-failing grade as the final grade for the course.

(c) To be eligible for a Helping Heroes Grant, a veteran shall:

(1) Have received an honorable discharge;

(2) Have been a Tennessee resident, as defined by regulations promulgated by the board of regents under § 49-8-104, for one (1) year immediately preceding the date of application for a Helping Heroes Grant;

(3) Have been awarded:

(i) The Iraq Campaign Medal;

(ii) The Afghanistan Campaign Medal; or

(iii) On or after September 11, 2001, the Global War on Terrorism Expeditionary Medal;

(4) Not be ineligible for a grant under § 49-4-904;



(5) Be admitted to and enroll in an eligible postsecondary institution seeking an associate or baccalaureate degree;

(6) Have not received a baccalaureate degree; and

(7) Make application for a Helping Heroes Grant for any semester in which the veteran successfully completes six (6) or more semester hours.

(d) A veteran who qualifies for a Helping Heroes Grant under this section shall not be required to meet any academic standard at the time of enrollment in an eligible postsecondary institution to be eligible to receive the grant.

(e) Award of a Helping Heroes Grant shall be made after the completion of a semester. If a student successfully completes twelve (12) or more semester hours, then the student shall receive the full amount of the grant as provided in subsection (f). If a student successfully completes six (6) to eleven (11) semester hours, then the student shall receive one-half ( $\frac{1}{2}$ ) of the full grant. A student successfully completing fewer than six (6) semester hours in a semester shall not be eligible for the grant for that semester, but may subsequently be eligible for the grant in a semester in which the student successfully completes at least six (6) semester hours; provided, that the student meets all other eligibility requirements during that semester.

(f) Subject to the amounts appropriated by the general assembly and any provision of law relating to a shortfall in funds available for postsecondary financial assistance from the net proceeds of the state lottery, a Helping Heroes Grant awarded to a student shall be one thousand dollars (\$1,000) per semester for any semester during the 2008-2009 academic year in which the student successfully completes twelve (12) or more semester hours. For academic years subsequent to the 2008-2009 academic year, the amount of such grant shall be determined in accordance with § 4-51-111 and shall be set in the general appropriations act.

(g) A student may receive a Helping Heroes Grant for a maximum of eight (8) semesters. In calculating the total number of semesters a student may receive a Helping Heroes Grant, semesters for which a student receives a Helping Heroes Grant and in which the student successfully completes six (6) to eleven (11) semester hours shall count as one-half ( $\frac{1}{2}$ ) semester in the total.

(h) A veteran shall be eligible for a Helping Heroes Grant for any semester for which the veteran meets all qualifications for

the grant and which commences prior to the eighth anniversary of the veteran's honorable discharge from military service.

(i) A Helping Heroes Grant shall be awarded in addition to any other financial aid for which the recipient veteran qualifies.

(j) Helping Heroes Grants shall not be awarded for any semester prior to fall semester 2008.

(k) Notwithstanding the provisions of § 49-4-903 to the contrary, TSAC shall award Helping Heroes Grants each year on a first come, first served basis for no more than three hundred seventy-five (375) eligible students per semester; provided, however, that no more than seven hundred fifty thousand dollars (\$750,000) shall be expended for Helping Heroes Grants per year.

(l) The comptroller of the treasury, through the comptroller's office of education accountability, shall review and study the Tennessee Helping Heroes scholarship program to determine the effectiveness of the program in educating veterans. Such study shall be done in the fifth year of the program and every four (4) years thereafter. The comptroller shall report the findings and conclusions of the study to the speakers of the senate and house of representatives and the chairs of the education committees of the senate and the house of representatives.

SECTION 16. Tennessee Code Annotated, Section 49-4-933, is amended by deleting subsection (f) in its entirety and substituting instead the following:

(f) The Tennessee HOPE foster child tuition grant shall be the cost of attendance less any gift aid, with the total HOPE foster child tuition grant amount not to exceed the cost of tuition and mandatory fees at the eligible postsecondary institution attended. Additionally, at an eligible independent postsecondary institution, the Tennessee HOPE foster child tuition grant shall not exceed the statewide average public tuition and mandatory fee rate for the type of institution (two-year or four-year) attended.

SECTION 17. Tennessee Code Annotated, Section 49-4-933, is further amended by deleting subsection (c) in its entirety and by substituting instead the following:

(c) The student shall present TSAC with official certification from the department of children's services that the student meets the eligibility requirements of subsection (b) for the tuition grant.

SECTION 18. Tennessee Code Annotated, Section 49-4-933, is further amended by deleting subsection (e) in its entirety.

SECTION 19. The provisions of Sections 16 through 18 are declared to be remedial in nature and to that end shall apply to all Tennessee HOPE foster child tuition grant awards made on or after July 1, 2006. TSAC shall award or adjust any award of such grant made on or after July 1, 2006 and prior to the effective date of this act accordingly.

SECTION 20. Tennessee Code Annotated, Section 49-4-933, is further amended by adding the following language as new subsection (h):

(h) Prior to February 1, 2009, TSAC, in consultation with THEC, shall prepare a report assessing the status of the Tennessee HOPE foster child tuition grant program. Such report shall include the number of students receiving the grant, the overall benefit of the grant to Tennessee foster children and recommendations for the program. The report shall be distributed to the governor, speaker of the senate, speaker of the house of representatives and each member of the general assembly.

SECTION 21. Tennessee Code Annotated, Title 49, Chapter 4, Part 9, is amended by adding the following language as a new, appropriately designated section:

§ 49-4-9\_\_.

(a) This section shall be known and may be cited as the "Tennessee Rural Health Act of 2008".

(b) There shall be established a five-year pilot program to encourage health care providers and dentists to locate and practice in Tennessee health resource shortage areas after becoming licensed to practice by providing financial assistance for medical or dental education through Tennessee rural health scholarships funded from net lottery proceeds.

(c) As used in this section, "health resource shortage area" means an area determined as a health resource shortage area by the department of health, office of rural health.

(d) To be eligible for a Tennessee rural health scholarship, a student shall:

(1) Not be ineligible for the scholarship under § 49-4-904;

(2) Be classified as an in-state student under the rules of the Tennessee board of regents or the University of Tennessee system on the date of application for the scholarship and on the date of reapplication for the scholarship each academic year;

(3) Be admitted to and enroll in an eligible postsecondary institution that:

(A) Has a school of medicine providing a program of study accredited by the Liaison Committee on Medical Education, or its successor, as a full-time student seeking the degree doctor of medicine (M.D.);

(B) Has a school of medicine providing a program of study accredited by the Bureau of Professional Education of the American Osteopathy Association, or its successor, as a full-time student seeking the degree doctor of osteopathic medicine (D.O.);

(C) Offers a physician assistant program that is accredited by the Accreditation Review Commission on Education for the Physician Assistant, or its successor, as a full-time student seeking to become a physician assistant;

(D) Offers a nurse practitioner program that is accredited by the National League for Nursing Accrediting Commission, Inc., or its successor, or the Commission on Collegiate Nursing Education, or its successor, as a full-time student seeking to become a nurse practitioner; or

(E) Has a school of dentistry providing a program of study accredited by the Commission on Dental Accreditation, or its successor, as a full-time student seeking the degree doctor of dental surgery (D.D.S.) or the degree doctor of dental medicine (D.M.D.);

(4) Maintain satisfactory progress in the program of study in which the student is enrolled;

(5)

(A) Agree to practice medicine in a health resource shortage area after becoming a Tennessee licensed physician, osteopathic physician, or physician assistant or receiving a Tennessee certificate of fitness as a nurse practitioner one (1) year for each year of funding provided by a Tennessee rural health scholarship; or

(B) Agree to practice dentistry in a health resource shortage area after becoming a Tennessee licensed dentist one (1) year for each

year of funding provided by a Tennessee rural health scholarship;

(6) Not accept any other financial assistance that carries with it a service obligation after graduation and receipt of the applicable license to practice medicine or dentistry, except for a service obligation in the United States armed forces reserve or the national guard; and

(7) Sign a promissory note each year the scholarship is awarded that stipulates the cash repayment obligation incurred if the medical or dental service is not fulfilled. If a scholarship recipient obligates to a service commitment under another loan-scholarship program other than a service commitment permitted under subdivision (6), fails to complete the medical or dental program the recipient enrolled in, or fails to practice medicine or dentistry in a health resource shortage area for the number of years required to fulfill the recipient's obligation pursuant to the award of a Tennessee rural health scholarship, then all funds obtained from the award of the scholarship shall be repaid with interest; provided, however, that no repayment shall be due, if TSAC finds that it is impossible for the recipient to fulfill the service obligation because of death or permanent disability of the recipient.

(c) A scholarship recipient shall not be required to fulfill the service requirement of subdivision (b)(5) or make any repayment of scholarship funds during any period of training required for licensure, including, but not limited to internship or residency, or during active duty service in the United States armed forces or mobilization as a member of the reserve components, but such period shall not exceed six (6) years.

(d) A Tennessee rural health scholarship shall not exceed twelve thousand dollars (\$12,000) per academic year or the cost of tuition, mandatory fees, books and equipment for the program of study in which the recipient is enrolled, whichever is less.

(e) No more than twenty-five (25) students shall be awarded Tennessee rural health scholarships in the first year of the pilot program and no more than fifty (50) students shall be awarded Tennessee rural health scholarships in the second year of the program. No student shall be awarded a rural health scholarship if the program of study in which the student is enrolled cannot be completed by the end of the fifth year of the pilot program.

(f) In the first and fifth years of the pilot program, no more than three hundred thousand dollars (\$300,000) shall be expended from the lottery for education account to fund the

program. In the second, third and fourth years of the pilot program, no more than six hundred thousand dollars (\$600,000) shall be expended from the lottery for education account to fund the program.

(g) TSAC, in consultation with the department of health, the Tennessee board of medical examiners, the board of osteopathic examination, the committee on physician assistants, the board of nursing, and the board of dentistry, is authorized to promulgate rules and regulations for the management and administration of the program, including the payment of the awards, execution of appropriate contracts and promissory notes, the terms of promissory notes, cancellation of the notes and deferment of repayment and, should a scholarship recipient be required to repay a promissory note, the rate of interest and terms of repayment, and to otherwise effectuate the purposes of this section. Notwithstanding the provisions of § 4-5-209, TSAC is authorized to promulgate public necessity rules to implement the provisions of this section.

(h) THEC and the department of health shall study and evaluate the effectiveness of the Tennessee rural health scholarship pilot program and shall report to the education committees of the senate and the house of representatives. A preliminary report shall be filed with the committees by October 1, 2010. Additional reports shall be filed with the committees by October 1, 2012, and October 1, 2013.

(i) No retroactive award of a Tennessee rural health scholarship shall be made under this section.

(j) Scholarships awarded under this section shall commence with the 2008-2009 academic year.

SECTION 22. Tennessee Code Annotated, Title 49, Chapter 4, Part 9, is amended by adding the following language as a new, appropriately designated section:

§49-4-9\_\_.

(a) The state funding board created by § 9-9-101 shall adopt an investment policy and a funds allocation policy for the lottery for education account established in § 4-51-111 designed to maximize recurring revenues available for appropriation. An amount of funds in the lottery for education account as determined by the state funding board may be invested pursuant to this section. Such funds may be invested in the state pooled investment fund established by § 9-4-603, the intermediate-term investment fund established by § 9-4-608, the chairs of excellence endowment fund established by § 49-7-501, any securities authorized in § 9-4-602, or in any securities or classes of

securities not specifically authorized in § 9-4-602 which are approved by resolution of the state funding board. All earnings attributable to such investments shall be credited to the lottery for education account.

(b) If for fiscal year 2008-2009 the board determines that earnings on the lottery for education account will be sufficient to meet the funding requirements for scholarships for such fiscal year, the board is authorized to transfer an amount not to exceed ten million dollars (\$10,000,000) from the lottery for education account to the energy efficient schools fund, if such fund is created by law.

SECTION 23. It is the legislative intent, when additional net lottery proceeds become available in a subsequent fiscal year, that the next funding priority should be adding additional semesters to the established eligibility retention requirements for the Tennessee HOPE scholarship for students who earn a cumulative 2.75 grade point average.

SECTION 24. Subject to appropriation by the general assembly, it is the legislative intent that six million eight hundred thousand dollars (\$6,800,000) from the lottery for education account may be used to supplement student assistance awards each year.

SECTION 25. Tennessee Code Annotated, Section 49-4-902(10)(B), is amended by deleting the subdivision in its entirety and substituting instead the following:

(B) A private postsecondary institution accredited by a regionally accredited association that has its primary campus domiciled in Tennessee; or

SECTION 26. Tennessee Code Annotated, Section 49-4-930, is amended by adding the following language as a new, appropriately designated subsection thereto:

( )

(1) There is created a pilot project to assist students, who are juniors and seniors in high school and who are eligible for dual enrollment grants under this section, in enrolling in dual enrollment courses that require a computer to facilitate the offering of such course or as necessary equipment for such course. THEC shall develop and administer the pilot project in consultation with the department of education.

(2) The pilot program shall commence no later than August 1, 2008, shall be for a period of twelve (12) months, and shall provide laptop computers for one hundred (100) students in each grand division of the state.

(3) The cost of the laptops to be purchased for the pilot program shall not exceed five hundred dollars (\$500) each.

(4) THEC shall develop and issue a request for proposal for the computers for the project that includes specifications for wireless technology in order that students in any school chosen for the pilot project, including rural schools, have the ability to access fully the dual enrollment courses as required by the course or the course content. The request for proposal shall also address insurance of the computers against theft, loss or destruction.

(5) The pilot project, including the administrative costs of THEC or the department of education, shall be funded from net lottery proceeds.

(6) The pilot project shall distribute computers in the 2008-2009 school year.

(7) THEC, in consultation with the department of education, shall evaluate the pilot project and shall issue a preliminary report to the education committees of the senate and the house of representatives by February 15, 2009, and thereafter shall issue a full report detailing its findings and conclusions to the education committees of the senate and the house of representatives by September 1, 2009.

#### SECTION 27.

(a) TSAC is authorized to promulgate rules and regulations to effectuate the purposes of this act. All such rules and regulations shall be promulgated in accordance with the provisions of Tennessee Code Annotated, Title 4, Chapter 5.

(b) THEC is authorized to promulgate rules and regulations to effectuate the purposes of this act. All such rules and regulations shall be promulgated in accordance with the provisions of Tennessee Code Annotated, Title 4, Chapter 5.

SECTION 28. The provisions of this act shall not be construed to be an appropriation of funds and no funds shall be obligated or expended pursuant to this act unless such funds are specifically appropriated by the general appropriations act.


SECTION 29. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 30. Sections 1, 12, and 13 of this act shall take effect upon becoming law, the public welfare requiring it, and shall apply to students seeking



postsecondary financial assistance from net lottery proceeds for the 2008-2009 academic year and academic years thereafter. Sections 3, 4, 5, and 6 shall take effect upon becoming a law, the public welfare requiring it, and shall apply to students seeking to continue or regain eligibility for Tennessee HOPE scholarships who reach benchmarks for reviewing eligibility pursuant to § 49-4-911 on or after the effective date for Sections 3, 4, 5, and 6. All remaining sections of this act shall take effect upon becoming law, the public welfare requiring it.

**PASSED: May 21, 2008**



JIMMY NAIFEH, SPEAKER  
HOUSE OF REPRESENTATIVES



RON RAMSEY, SPEAKER  
SENATE OF THE SENATE

**APPROVED this 13th day of June 2008**



PHIL BREDESEN, GOVERNOR